

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 658

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Consideration of Certain Standards for)
Electric Utilities Relating to Measures to)
Promote Greater Electrification of the) ORDER SCHEDULING HEARINGS
Transportation Sector Pursuant to the)
Infrastructure Investment and Jobs Act)

BY THE COMMISSION: On November 15, 2021, the President of the United States signed into law the Infrastructure Investment and Jobs Act, H.R. 3684, 117th Cong. (2021) (IIJA). Section 40431 of the IIJA amends the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. § 2611 et seq., by adding new federal ratemaking standards relating to electric vehicle charging programs.

Specifically, the IIJA amends PURPA by adding Section 111(d)(21), 16 U.S.C. § 2621(d)(21), which provides as follows:

ELECTRIC VEHICLE CHARGING PROGRAMS. – Each State shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that –

- (A) promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;
- (B) improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles;
- (C) accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and
- (D) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

Further, Section 40431 of the IIJA amends PURPA Section 112(b), 16 U.S.C. § 2622, to require each state regulatory authority with ratemaking authority over electric utilities to commence consideration under section 111 of PURPA, 16 U.S.C. § 2611, or to set a hearing date for consideration with respect to the standard established by the IIJA in

section 111(d)(21) of PURPA, 16 USC § 2611(d)(21) within one year of the enactment of the IIJA and to complete the consideration and make the determination with respect to the new electric vehicle charging programs within two years of enactment of the IIJA. IIJA § 40431(b), amending PURPA section 112(b), 116 U.S.C. § 2622(b).

However, such consideration is not required if a state has previously undertaken consideration of the same or equivalent standards before the date of enactment of the IIJA using any of the following methods:

- (1) the State has implemented for the electric utility the standard (or a comparable standard);
- (2) the State regulatory authority for the State . . . has conducted a proceeding to consider implementation of the standard (or a comparable standard) for the electric utility; or
- (3) the State legislature has voted on the implementation of the standard (or a comparable standard) for the electric utility during the 3-year period ending on that date of enactment.

IIJA § 40431(b), amending PURPA section 112(b), 116 U.S.C. § 2622(b).

Prior to the enactment of the IIJA, the North Carolina General Assembly passed legislation that encourages public electric utilities to promote electrification of transportation. As part of H.B. 951, Energy Solutions for North Carolina, signed into law on October 13, 2021, the North Carolina General Assembly enacted N.C. Gen. Stat. § 62-133.16, providing for performance-based ratemaking (PBR). When considering a PBR application, the Commission may, among other factors, consider whether the application encourages beneficial electrification, including electric vehicles (EV). N.C.G.S. § 62-133.16(d)(2). In addition, while the PBR legislation provides for a mechanism that decouples rates from energy consumption, rate schedules for EV may be excluded from the decoupling mechanism in order to preserve the utility's incentive to encourage EV adoption. N.C.G.S. § 62-133.16(c)(2).

With respect to Duke Energy Progress, LLC (DEP) and Duke Energy Carolinas, LLC (DEC, collectively Duke), the Commission has approved a number of pilot programs relating to EV that predate the enactment of the IIJA. On March 29, 2019, Duke filed an application for approval of electric transportation pilot programs, *Application by Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC, for Approval of Proposed Electric Transportation Pilot*, Nos. E-2, Sub 1197 and E-7, Sub 1195 (ET Pilot Docket). The Commission recognized the benefits of pilot programs that would expand charging infrastructure while allowing the utilities to collect data on the impact of the new usage of the system, and accordingly granted the application in part, approving programs titled Public Level 2 Charging program, Multifamily Dwelling Charging, Direct Current Fast Charging, and EV School Bus Charging. Order Approving Electric Transportation Pilot, In Part, *Application by Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC, for*

Approval of Proposed Electric Transportation Pilot at 16, Nos. E-2, Sub 1197 and E-7, Sub 1195, (N.C.U.C. Nov. 24, 2020) (ET Pilot Order).

The Commission further ordered Duke and the Public Staff to convene a collaborative stakeholder process to develop further EV pilot programs. ET Pilot Order at 21. On May 24, 2021, Duke filed another application in the ET Pilot Docket for approval of Phase II Electric Transportation Pilot Programs. Duke also sought approval to implement a Make Ready Credit program to defray the costs of new electric infrastructure on a customer's premises needed to charge electric vehicles, which was granted by the Commission with some conditions because it would serve to expand electric vehicle adoption and increase electric vehicle infrastructure in North Carolina. Order Approving Make Ready Credit Programs With Conditions, *Application by Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC, for Approval of Proposed Electric Transportation Pilot*, Nos. E-2, Sub 1197 and E-7, Sub 1195 (N.C.U.C. Feb. 18, 2022). The Commission encouraged Duke to develop marketing strategies and program designs to promote electric vehicle adoption in all customer markets and among all customer classes and to continue to work with stakeholders to identify additional ways to support make ready infrastructure. *Id.* at 19.

However, with respect to Virginia Electric and Power Company d/b/a Dominion Energy North Carolina (DENC), which serves approximately 140,000 North Carolina retail customers, the Commission has not implemented standards with respect to promoting electrification of the transportation sector.

Accordingly, the Commission finds good cause to commence consideration of the standard established in PURPA Section 111(d)(21), 16 U.S.C. § 2621(d)(21) for DENC, commence this proceeding, and schedule a hearing to consider whether or not it is appropriate to implement the standard set forth in that section.

IT IS, THEREFORE, ORDERED as follows:

1. That Virginia Electric and Power Company d/b/a Dominion Energy North Carolina is hereby made a party of record in this proceeding;
2. That other parties desiring to become formal participants and parties of record shall file petitions to intervene or notices of intervention in accordance with the applicable Commission rules on or before April 25, 2023;
3. That a hearing for the convenience of public witnesses, and solely for the purpose of taking nonexpert public witness testimony regarding measures this Commission could take to promote greater electrification of the transmission sector as set out in PURPA Section 111(d)(21), 16 U.S.C. § 2621(d)(21) with respect to Virginia Electric and Power Company d/b/a Dominion Energy North Carolina, should be, and hereby is, scheduled for Wednesday, May 31, 2023, at 7:00 p.m. in the Halifax County Courthouse, Courtroom 4, 357 Ferrell Lane, Halifax, North Carolina 27839;

4. That an evidentiary hearing for the purpose of receiving expert witness testimony regarding measures this Commission could take to promote greater electrification of the transmission sector as set out in PURPA Section 111(d)(21), 16 U.S.C. § 2621(d)(21) should be, and hereby is, scheduled to commence on June 20, 2023 at 10:00 a.m. in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina;

5. That the parties to this proceeding shall prefile their initial direct expert testimony and exhibits on or before April 25, 2023;

6. That any party who desires to file rebuttal testimony shall do so on or before May 23, 2023;

7. That the Chief Clerk shall serve this Order upon all parties of record in this docket and upon all parties of record in Docket No. M-100, Sub 164; and

8. That the Notice of Public Hearing attached hereto as Appendix A shall be published by Virginia Electric and Power Company d/b/a Dominion Energy North Carolina in a newspaper having general circulation in its North Carolina service areas once a week for two consecutive weeks beginning not later than the week of January 9, 2022, and that said Notice shall cover not less than 1/6 page.

ISSUED BY ORDER OF THE COMMISSION.

This the 15th day of November, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Tamika D. Conyers". The signature is written in black ink and is positioned above the printed name of the signatory.

Tamika D. Conyers, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 658

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Consideration of Certain Standards for)
Electric Utilities Relating to Measures to)
Promote Greater Electrification of the) NOTICE OF PUBLIC HEARING
Transportation Sector Pursuant to the)
Infrastructure Investment and Jobs Act)

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has scheduled a public hearing regarding measures this Commission could take to promote greater electrification of the transmission sector as set out in PURPA Section 111(d)(21), 16 U.S.C. § 2621(d)(21) by adding new federal ratemaking standards relating to electric vehicle charging programs. Details regarding the new federal standards and the scope of the Commission's consideration may be obtained from the Commission's Internet web site, www.ncuc.net (search for Docket No. E-22, Sub 658).

A hearing for the convenience of public witnesses, and solely for the purpose of taking nonexpert public witness testimony regarding the above standards, is hereby scheduled for Wednesday, May 31, 2023, at 7:00 p.m. at the following address:

Halifax County Courthouse
Courtroom 4
357 Ferrell Lane
Halifax, North Carolina 27839

Persons desiring to present testimony for the record should appear at the public hearing. Persons desiring to send written statements to inform the Commission of their positions in the matter should reference Docket No. E-22, Sub 658 and address their statements to Chief Clerk, North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina, 27699-4325. However, such written statements cannot be considered competent evidence unless those persons appear at the hearing and testify concerning the information contained in their written statements.

The Commission will convene an evidentiary hearing for the purpose of receiving testimony from expert witnesses beginning June 20, 2023, at 10:00 a.m. in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina.

Persons desiring to intervene as formal parties of record should file a petition under North Carolina Utilities Commission Rules R1-5 and R1-19 no later than April 25, 2023. Such petitions should reference Docket No. E-22, Sub 658 and be filed with the Chief Clerk, North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina, 27699-4325. The direct testimony and exhibits of expert witnesses should also be filed with the Commission on or before April 25, 2023. Any party who desires to file rebuttal testimony shall do so on or before May 23, 2023.

The Public Staff of the Utilities Commission, through its Executive Director, is required by statute to represent the using and consuming public in proceedings before the Commission. Written statements to the Public Staff should reference Docket No. E-22, Sub 658 and include any information which the writer wishes to be considered by the Public Staff in its investigation of this matter, and such statements should be addressed to Chris Ayers, Executive Director, Public Staff, North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina, 27699-4326.

The Attorney General is also authorized by statute to represent the using and consuming public in proceedings before the Commission. Statements to the Attorney General should be addressed to the Honorable Josh Stein, Attorney General, c/o Utilities Division, 9001 Mail Service Center, Raleigh, North Carolina, 27699-9001.

ISSUED BY ORDER OF THE COMMISSION.

This the 15th day of November, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Tamika D. Conyers". The signature is written in black ink and is positioned above the printed name of the signatory.

Tamika D. Conyers, Deputy Clerk